

presented 1,000,000 francs (\$200,000) to the Bank of Belgium for redemption. They followed this up on December 10th, by the presentation of 1,200,000 francs and on December 15th, by the presentation of 300,000 francs more. The bank was forced to suspend and to appeal to the government for assistance. A loan of 4,000,000 francs (\$800,000) was voted, of which 2,600,000 francs were applied to the payment of bills and commercial obligations of the bank, and 1,400,000 francs to meeting the demands of depositors in the savings branches which had been established.¹

The manner in which the existing institutions mixed up the business of banks of issue and deposit with that of operations for long terms created a strong feeling in favor of a bank devoted exclusively to commercial banking. The Bank of Belgium was again embarrassed in 1842 and was compelled to surrender the privilege of keeping the public monies. An arrangement was entered into between the Treasury and the *Société Générale*, but that institution felt the effect of the crisis of 1842 and was compelled to abandon all the branches which it had established except that at Antwerp. The government, therefore, in view of the necessity for an institution of a different character, in granting a renewal of the charter of the *Société Générale* for twenty-five years, in 1843, reserved the right to revise and restrict its powers before the end of the year 1849. The crisis following the political excitement of 1848 compelled both existing banks to suspend specie payments and afforded the government the best of excuses for curtailing their privileges. The banks were aided for the moment by an act of March 20, 1848, giving forced legal tender character to their bills but confining the issues within fixed limits. The year 1849 had hardly begun, however, when the President of the Council of Ministers, M. Frère-Orban, brought forward a plan for the National Bank of Belgium (*Banque Nationale de Belgique*). The charter of the bank was granted by the law of May 5, 1850, fixing the capital at 25,000,000 francs (\$5,000,-

¹ Noel, I., 549.